

Exhibit A to
Reply to Office Action

Dictionary of Finance and Investment Terms

Fifth Edition

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PRIORITY

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Synonymous with CORPUS. See *also* TRUST.
Insurance: amount specified as payable to the beneficiary under a policy, such as the death benefit.

PRIORITY system used in an AUCTION MARKET, in which the first bid or offer price is executed before other bid and offer prices, even if subsequent orders are larger. Orders originating off the floor (see OFF-FLOOR ORDER) of an exchange also have priority over ON-FLOOR ORDERS. See *also* MATCHED AND LOST; PRECEDENCE.

PRIOR-LIEN BOND bond that has precedence over another bond of the same issuing company even though both classes of bonds are equally secured. Such bonds usually arise from REORGANIZATION. See *also* JUNIOR ISSUE.

PRIOR-PREFERRED STOCK PREFERRED STOCK that has a higher claim than other issues of preferred stock on dividends and assets in LIQUIDATION; also known as *preference shares*.

PRIVATE ACTIVITY BOND see PRIVATE PURPOSE BOND.

PRIVATE LETTER RULING Internal Revenue Service (IRS) response to a request for interpretation of the tax law with respect to a specific question or situation. Also called *letter ruling*, *revenue ruling*.

PRIVATE LIMITED PARTNERSHIP LIMITED PARTNERSHIP not registered with the Securities and Exchange Commission (SEC) and having a maximum of 35 limited partners. See *also* ACCREDITED INVESTOR.

PRIVATE MARKET VALUE (PMV) aggregate market value of a company if each of its parts operated independently and had its own stock price. Also called *breakup value* or *takeover value*. Analysts look for high PMV in relation to market value to identify bargains and potential TARGET COMPANIES. PMV differs from LIQUIDATING VALUE, which excludes GOING CONCERN VALUE, and BOOK VALUE, which is an accounting concept.

PRIVATE MORTGAGE INSURANCE (PMI) type of insurance available from lenders that insures against loss resulting from a default on a mortgage loan and can substitute for down payment money.

PRIVATE PLACEMENT sale of stocks, bonds, or other investments directly to an institutional investor like an insurance company. A PRIVATE LIMITED PARTNERSHIP is also considered a private placement. A private placement does not have to be registered with the Securities and Exchange Commission, as a PUBLIC OFFERING does, if the securities are purchased for investment as opposed to resale. See *also* LISTED SECURITY.

PRIVATE PURPOSE BOND category of MUNICIPAL BOND distinguished from PUBLIC PURPOSE BOND in the TAX REFORM ACT OF 1986 because 10% or more of the bond's benefit goes to private activities or